mc/045/049

**Clifton Mining Company**
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November 24, 1999



Glenn A. Carpenter
United States Department of the Interior
Bureau Of Land Management
Salt Lake District Office
2370 South 2300 West
Salt Lake City, UT 84119

RE: Reference U-73999 3809, (UT-023).

## Additional Information As Requested

Dear Mr. Carpenter:

We are in receipt of your letter dated October 25, 1999 and hereby reply to reference U-73999 3809, (UT-931). This letter constitutes Clifton Mining Company's ("Clifton") official response with additional clarifying information.

**Sulphide Ore**

Stipulations 1-3. The fact that it is possible that there are sulphide ores at or near the water table is completely irrelevant at this point. The Behre Dolbear report states that the outlined reserves only represent 10% of the potential of the first 8 of 38 veins, meaning that the potential of the deposit (the report does not include the area down to the water table) is in the neighborhood of at least 13 million tons or more in the upper or oxide levels of the 38 identified veins. If there are sulfide ores near the water table it is of no consequence at this point. The potential sulphide ores have neither been drilled, nor even added to, potential reserves at this time, because of the fact that if they exist, they are located so far under the ground that it is not reasonable even to assume that Clifton will mine them in the conceivable future. The oxide ores come right to the surface on all 38 veins. As additional ore is drilled and outlined for mining and milling, they will be in the oxide part of the deposit because they are much less expensive to drill and mine (close to the surface). Should the sulphide ores exist, as Dan Proctor stated, and should we decide to mine down to where they are and make them part of our milling operation, Clifton will notify all applicable government agencies before the mining takes place, so that appropriate steps may be followed.



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**Mill Tailings**

Stipulation 6. Because the ores that have been mined or will be mined in the conceivable future are oxide ores, the general makeup of the mill tailings will remain the same, and thus will not be acid generating. The question is not wether or not there are sulfides present in the tailings pile, but, what is the ability of the tailings pile to neutralize any acid that may be produced? The test work on the potential of the tailings pile to produce acid showed that, in fact, the Clifton mill tailings could neutralize sixty times more acid than it would produce. Clifton has only proposed the use of the tailings in reclamation work, because of the need that exists (mostly off Clifton's property) to reclaim the old and possibly dangerous workings that exist from the mining activities in the 1800's. Clifton has little need to use the tailings for reclamation, but put forth the idea as a possible community service. Clifton has won earth-day awards in the past for its reclamation work, in conjunction with the Department of Oil, Gas and Mining.

Arrangements have been made to send existing cyanide barrels to a heap leach mine in Nevada. We do not use cyanide in the mill process. The mill operation flow sheets are the same as has already been submitted. No changes have been made in the mill processing chemicals. Lists of the mill processing chemicals have also been submitted to all parties and we thought approved by all?

**Chemical Storage**

Stipulation 9. Clifton will comply with the request to store all chemicals in accordance with the individual Material Safety Data Sheets. Clifton will store all chemicals in the mill or adjacent buildings.

**Water Rights**

Stipulation 10. Clifton has no water problem. Clifton owns sufficient water rights to accommodate any milling operation that is approved for the site. Clifton owns three separate water rights that feed the mill:

1). Cane Springs certificate # 3139 which allows Clifton 0.033 CFS.
2). Cane Springs Shaft Water Claim 18-268 which allows 0.022 CFS.
3). Cane Springs Shaft Water Claim 18-323 which allows 0.266 CFS.

The first water claim was originally filed by Clark H. Wilson for use in the Gold Hill Mill and was purchased by Clifton with the purchase of the mill. The water right as listed on the certificate of appropriation of water from 1935 is for the purpose of an ore milling plant (for the separation of tungsten- not for mining it) and also to convey the tailings from the mill to the tailings Dump.

The second and third water rights are owned under the name of Woodman Mining Company which was established in the late 1800's. Woodman Mining Company is owned and controlled by Clifton Mining Company. The combined water rights give Clifton the rights to thousands and

thousands of gallons of water per hour, more than sufficient to run the proposed milling operation.

**Water Storage**

Clifton personnel have continually tried to explain the point that water storage is not a problem, because there will not be millions of gallons in the pond! Once the level of water rises sufficiently in the tailings pond to allow the water to be pumped, the water will be pumped or recirculated back up into the mill to be used again in the milling process. By recirculating the water from the tailings pond Clifton can limit the amount of water that resides in the tailings pond! By reusing the water from the tailings pond Clifton can reduce the amount of fresh water it needs from the springs, by replacing only the water lost to evaporation etc.

**Water Rights**

Stipulation 12 & 17. It is important to note that Clifton has the first water right at the Cane Springs.

**Water Right Proposal**

**Clifton would consider trading the water right it owns (#3139 @.033 cfs) to the BLM for the mill property and surrounding land on claims GHM !-3. This transaction could be beneficial to both parties and would secure water rights for the BLM.**

**Sulphide Ores**

Stipulation 19 The test work has already been done on the tailings to determine the potential acid generating potential of the tailings pile, as shown by the test data the ore matrix has a **sixty times** greater ability to neutralize any acid generated than to produce it, the ore and the tailings pile have been deemed to be safe and non-acid generating.

**Use Of Tailings**

The mill tailings, being non-acid-generating, and in fact acid-neutralizing, as the test work shows they are, could be used to the betterment of the entire community. By using the mill tailings to reclaim and to fill in some dangerous old mine workings (on and off public lands), Clifton could use the tailings for a positive purpose. This would limit the amount of tailings located on the mill site, so that the site would not have to be enlarged to any great degree, and also generate a potentially great public service for the community.

**Clean Up**

Clifton has been working to clean up the mill site and will continue to do so. The unmarked barrels were marked by our operations manager and since have had the labels pulled off. We will

have the barrels remarked.

**Bond**

Clifton is currently working with DOGM to get the $27,000 bond posted in accordance with the new bond forms that Clifton just received from DOGM. Clifton has also been working with the bonding company and expects to get the job done very soon.

Sincerely,

**CLIFTON MINING COMPANY**

William D. Moeller, President

WDM/kwm
cc: Tom Munson
Utah Division of Oil, Gas and Mining

Lyle Stott
Utah Division of Water Quality

Geologic and topographic map of the Gold Hill, Lucy Gulch and Clifton Areas

GOLD HILL AREA

LUCY GULCH AREA

CLIFTON AREA

T. 7 S.

T. 8 S.

R. 18 W.

R. 17 W.

EXPLANATION

QUATERNARY

TERTIARY

MISSISSIPPIAN PENN-PERM

MISS-PENN

| | |
|---|---|
| Qal | Alluvium |
| Tv | Volcanic rocks |
| Tqm | Quartz Monzonite |
| PPo | Oquirrh Formation |
| MPmc | Manning Canyon Formation |
| Mom | Ochre Mountain Formation |
| | Selected Lands |
| | Geologic Contact |
| | Normal Fault, dashed where inferred |

(Geology after Nolan, 1935)